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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 27, 2015

Andre Zeitoun
Applied Minerals
110 Greene Street
Suite 1101
New York City, New York 10012

Eric Nedreberg
Applied Minerals
1200 Silver City Road
P.O. Box 432
Eureka, Utah 84628

Subject: Directive to Submit W9 Form, Annual Permit Fees and Annual Report; Applied Minerals;
Dragon Mine; M/023/0080; Juab County, Utah

Dear Messrs. Zeitoun and Nedreberg:

The Division of Oil, Gas and Mining has not received a W9 form, the annual permit fee, or the annual report for the Dragon mine.

The W9 form is available through the Internal Revenue Service web site (irs.gov) and is required by Zions Bank for reporting interest on the cash reclamation surety. Without this form, Zions Bank will not release any money from the account when the mine is reclaimed or the surety replaced.

The permit fee is required each year, and without the payment, approval to conduct operations is automatically suspended. You should have recently received—or you should be receiving shortly—a statement for the fee. A copy is also included with this letter. Failure to submit the payment by June 30, 2015, may result in issuance of a cessation order which would require that you terminate all mining operations until the fee is paid. It would also require payment of a civil penalty (fine). Please also submit the annual report by this date. The form for this report is on the Division's web site at http://linux1.ogm.utah.gov/WebStuff/wwwroot/minerals/permit_forms.html, and a copy is included with this letter.

Please call Wayne Western at 801-538-5263 if you have any questions about these issues.

Sincerely,

Paul Baker
Minerals Program Manager

PBB: whw: eb

Enclosures: Form AR-LMO; permit fee statement

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